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SUBJECT: NIGERIA: PRESIDENT AND VP VOLLEY ALLEGATIONS

REF: A. ABUJA 2684
[1](#)B. ABUJA 2562
[1](#)C. LAGOS 1220
[1](#)D. LAGOS 1218

Classified By: Classified by Charge d'Affaires Thomas Furey for reasons
1.4 (b) and (d).

[1](#)1. (C) SUMMARY. The public volley of corruption accusations and abuse of office continues between Nigerian President Olusegun Obasanjo and Vice President Atiku Abubakar with the daily drama played out in the local press. A report of the Economic and Financial Crimes Commission (EFCC) Panel of Inquiry into VP Atiku's finances was clearly leaked. In response, Atiku leveled his own accusations against Obasanjo, also choosing to air the administration laundry in the press. While accusations on both sides are likely inflated, the disclosures have raised serious questions of impropriety all around. Mediators in both camps have reportedly made unsuccessful attempts at reconciliation, recognizing that neither can emerge unscathed from a public examination of Villa corruption. END SUMMARY.

VP ATIKU - MISMANAGEMENT OF PTDF FUNDS

[1](#)2. (SBU) A September 2006 report of the Administrative Panel of Inquiry (based on the August 24 Economic and Financial Crimes Commission (EFCC) investigation) outlines allegations against Atiku. The allegations fall into two general categories. Firstly, Atiku is accused of approving the release of USD 20 million from the Petroleum Technology Development Fund (PTDF) without the necessary approvals from President Obasanjo and the Federal Executive Council. The second area of allegations involves the disposition of funds allocated from the PTDF (including both the 20 million and an additional USD 125 million which were allocated with approval of the President and Federal Executive Council). According to the Panel of Inquiry, Vice President Atiku directed the allocations to Trans International Bank (TIB) and Equitorial Trust Bank Ltd (ETB) with the intention of benefiting specific business interests held by Atiku's close associates. From July to October 2003, a total USD 115 million was placed in ETB and USD 30 million (in two separate tranches) was placed in TIB.

[1](#)3. (SBU) According to the Panel report, the allocation of funds to TIB was designed to benefit Mofas Shipping Company and NDTV satellite television (both of which are controlled by Otunba Fasawe, allegedly a long-time friend of the VP). A

chain of money transfers and payments is used to substantiate the claim. In particular, the Panel report alleges that Fasawe paid 400 million Naira (USD 3.1 million) to Atiku's personal assistant Umaru Pariyah in April 2003. The report alleges that following the initial PTDF allocation of USD 10 million to TIB, the bank granted a 400 million Naira (USD 3.1 million) to NDTV on October 20, 2003, a 420 million Naira (USD 3.3 million) loan to Mofas Shipping on October 22, 2003, and a 300 million Naira (USD 2.3 million) loan to Trans-Vari Services Ltd (owned by Ahmed Vanderpuije, the Managing Director of NDTV) on October 23, 2003. The loan to Mofas Shipping is alleged to be payback for the April payment to Atiku's personal assistant. TIB allegedly granted NDTV an additional 730 million Naira (USD 5.7 million) on January 1, 2004.

¶4. (C) The Panel report goes on to substantiate the relationship between Atiku, NDTV, Mofas Shipping and Fasawe. The report alleges that Fasawe paid Atiku 61 million Naira in January 2001 from a Mofas Shipping account held at TIB. In January 2003, Atiku paid the initial 30 million Naira deposit for the purchase of the property used for NDTV's headquarters from one of Atiku's accounts in Bank PHB. (NDTV reportedly paid the balance of the purchase only after receiving the October 20 loan of 400 million Naira from TIB.) In February 2003, 250 million Naira (USD 2 million) was allegedly transferred from Mofas Shipping to Atiku's Marine Float account at PHB. (NOTE: The Panel report also pursues the alleged connections between NDTV and iGate, though this section of the report does not mention Atiku. END NOTE.)

¶5. (C) Furthermore, the Panel report alleges that PTDF funds allocated to ETB were used to promote Globacom. (NOTE: Both ETB and Globacom are owned by Mike Adenuga). According to the report, Globacom made payments in the bidding for the Second National Operator license immediately following PTDF allocations to ETB. The report also alleges that Adenuga was involved in discussions with Atiku and the PTDF Executive Secretary regarding allocation of PTDF funds to ETB. Despite

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Adenuga's claim of sole ownership of Globacom, the Panel report alleges it is actually owned by Conpetro (51 percent), Alh Subair (24 percent), Prince Babatune Akiyera (12.5 percent) and Okechukwu Igbomor (12.5 percent). The report claims Prince Babtune Akiyera is actually Atiku. (COMMENT: EFCC investigations surrounding the allocation of PTDF funds to ETB in August resulted in the arrest of Mohammed Babangida, son of former military President Ibrahim Babangida, and Mike Adenuga. Mohammed Babangida is alleged to own the 24 percent of Globacom publicly attributed to Alh Subair. Interestingly, Adenuga is rumored to be the largest single donor to President Obasanjo's Presidential Library project. END COMMENT.)

ATIKU RESPONDS TO ALLEGATIONS

¶6. (C) Vice President Atiku's office provided the Embassy with a copy of a September 2006 "independent" investigative report. Atiku's investigative report addressed the alleged release of USD 20 million from the PTDF without the proper Presidential and Federal Executive Council approvals, noting that allocations were at times approved post-hoc. As well, he maintained he believed approvals already obtained covered the sum. The report did not deny the specific transactions referenced in the Panel report, but rather claimed dates of transactions and other details in the Panel report were incorrect -- thereby undermining the basis for the correlations. The report also notes that during the period in question the President and the Federal Executive Council also approved the allocation of PTDF funds to the same TIB and ETB banks. With regard to the 400 million Naira (USD 3.1 million) allegedly paid to Atiku's personal assistant by Fasawe, the report provides specific details of checks paid by Fasawe totaling only 114 million Naira (USD 890,000) over a two year period, though the report offers no explanation for these checks. Atiku's report concludes that the Panel

report is a political document intended to discredit Vice President Atiku in the run-up to the 2007 elections. It accuses the EFCC of being a willing "pawn in the hands of the President to smear... perceived political enemies."

PRESIDENT OBASANJO IS DRAWN INTO THE WEB

17. (C) In a "who stole more" public drama, Atiku returned fire with accusations that Obasanjo had actually been the one to benefit from PTDF funds allocated to TIB and campaign funds placed in a Mofas Shipping account. Atiku claimed Obasanjo's personal assistant Bodunde Adeyanju made over 100 sureties to TIB bank Abuja's office between 1999 and 2004. Atiku also maintained that Obasanjo and Fasawe are estranged friends and that over 100 million Naira (USD 781,000) in checks were issued from Fasawe's Mofas Shipping to IBAD Nigeria Ltd (a construction company solely owned by Obasanjo). He asserted Fasawe also made payments directly to the Obasanjo African Leadership Forum and to the Obasanjo Campaign Organization. Atiku also alleged that Obasanjo bought two lady friends new cars from the Mofas account.

18. (C) Atiku also drew correlations between PTDF allocations to TIB bank and payments that benefited Obasanjo's close friends and family. After TIB issued a 195 million Naira (USD 1.5 million) loan to R.T. Briscoe in December 2001, Atiku alleges Briscoe purchased two buses valued at 11 million Naira (USD 85,000) for Obasanjo's Bells Comprehensive High School (also December 2001). In addition, TIB issued a bank check for 4 million Naira (USD 31,000) to the Ibogun-Olaogun Development Association (Ibogun-Olaogun is Obasanjo's home village). Atiku also claims to have proof of more than 3 billion Naira (USD 23.4 million) in payments from Mofas Shipping to Obasanjo from 1999 to 2003, alleging that the PDP Party is fully aware of the transactions.

FOLLOW THE MONEY

19. (C) COMMENT. While none of these allegations can be taken as absolute fact, it is likely, given the size and scope of the accusations, that neither Obasanjo or Atiku is completely innocent and that neither can emerge this battle unscathed. It appears some around the President may recognize this fact, as word of failed attempts at mediation have leaked to the press as well. While Obasanjo may be using the EFCC and his fight against corruption as a tool to narrow the field of candidates for the presidency, at least some of those close to him seem to recognize the danger in this approach. It is possible Obasanjo has weighed this as an acceptable risk to enable him to secure the election for his candidate of choice. The possibility of Obasanjo working out a "deal" with a possible successor to ensure his continued immunity from prosecution should not be overlooked. END COMMENT.

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